

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL INTERESTED PERSONS

UNDOCKETED

IN RE: PROPOSED ADOPTION OF RULE 25-6.030, F.A.C., STORM PROTECTION PLAN AND RULE 25-6.031, F.A.C, STORM PROTECTION COST RECOVERY CLAUSE, AND PROPOSED AMENDMENT OR REPEAL OF RULE 25-6.0143, USE OF ACCUMULATED PROVISION ACCOUNTS 228.1, 228.2, AND 228.4, RULE 25-6.034, STANDARD OF CONSTRUCTION, RULE 25-6.0341, LOCATION OF THE UTILITY'S ELECTRIC DISTRIBUTION FACILITIES, RULE 25-6.0342, ELECTRIC INFRASTRUCTURE STORM HARDENING, RULE 25-6.0343, MUNICIPAL ELECTRIC UTILITY AND RURAL ELECTRIC COOPERATIVE REPORTING REQUIREMENTS, RULE 25-6.0345, SAFETY STANDARDS FOR CONSTRUCTION OF NEW TRANSMISSION AND DISTRIBUTION FACILITIES, RULE 25-6.044, CONTINUITY OF SERVICE, RULE 25-6.0455, ANNUAL DISTRIBUTION SERVICE RELIABILITY REPORT, RULE 25-6.061, RELOCATION OF POLES, RULE 25-6.064, CONTRIBUTION-IN-AID-OF-CONSTRUCTION FOR INSTALLATION OF NEW OR UPGRADED FACILITIES, RULE 25-6.077, INSTALLATION OF UNDERGROUND DISTRIBUTION SYSTEMS WITHIN NEW SUBDIVISIONS, RULE 25-6.078, SCHEDULE OF CHARGES, RULE 25-6.081, CONSTRUCTION PRACTICES, RULE 25-6.115, FACILITY CHARGES FOR CONVERSION OF EXISTING OVERHEAD INVESTOR-OWNED DISTRIBUTION FACILITIES

ISSUED: June 11, 2019

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to implement Section 366.96, F.S., which was passed by the Florida Legislature in the 2019 session. The purpose of this rulemaking is to obtain stakeholder comment on the proposed adoption of new Rules 25-6.030 and 25-6.031, Florida Administrative Code, and to consider whether Rules 25-6.0143, 25-6.034, 25-6.0341, 25-6.0342, 25-6.0343, 25-6.0345, 25-6.044, 25-6.0455, 25-6.061, 25-6.064, 25-6.077, 25-6.078, 25-6.081, and 25-6.115 should be amended or repealed.

The attached Notice of Development of Rulemaking appeared in the June 7, 2019 edition of the Florida Administrative Register. A staff rule development workshop will be held at the following time and place:

Tuesday, June 25, 2019, 9:30 a.m.
Room 148, Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, FL 32399-0850

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The draft rules and the agenda for the workshop are attached. One or more Commissioners may be in attendance and participate in the workshop. The persons to be contacted regarding the rule development are Adria Harper, (850) 413-6082, aharper@psc.state.fl.us or Andrew King, (850) 413-6195, aking@psc.state.fl.us.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

If a named storm or other disaster requires cancellation of the workshop, Commission staff will attempt to give timely notice to the public. Notice of cancellation will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

By DIRECTION of the Florida Public Service Commission this 11th day of June, 2019.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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Notice of Development of Rulemaking

PUBLIC SERVICE COMMISSION

RULE NOS: RULE TITLES

- Rule 25-6.0143 Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4
- Rule 25-6.030 Storm Protection Plan
- Rule 25-6.031 Storm Protection Plan Cost Recovery Clause
- Rule 25-6.034 Standard of Construction
- Rule 25-6.0341 Location of the Utility's Electric Distribution Facilities
- Rule 25-6.0342 Electric Infrastructure Storm Hardening
- Rule 25-6.0343 Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements
- Rule 25-6.0345 Safety Standards for Construction of New Transmission and Distribution Facilities
- Rule 25-6.044 Continuity of Service
- Rule 25-6.0455 Annual Distribution Service Reliability Report
- Rule 25-6.061 Relocation of Poles
- Rule 25-6.064 Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities
- Rule 25-6.077 Installation of Underground Distribution Systems within New Subdivisions
- Rule 25-6.078 Schedule of Charges
- Rule 25-6.081 Construction Practices
- Rule 25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities

PURPOSE AND EFFECT: To implement Section 366.96, FS, which was passed by the Florida Legislature in the 2019 session. Section 366.96, FS, requires public electric utilities to file storm protection plans with the Commission and allows a public electric utility to petition for cost recovery annually through a storm plan cost recovery clause. To adopt new rules and to determine whether existing rules should be amended or repealed to implement Section 366.96, FS.

Undocketed

SUBJECT AREA TO BE ADDRESSED: Public electric utility storm protection plans and storm protection cost recovery clause.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), 366.96, FS.

LAW IMPLEMENTED: 350.115, 366.03, 366.04(1), (2), (4)-(6), 366.041(1), (4), 366.05(1), (7), 366.06(1), 366.96, FS.

A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: Tuesday, June 25, 2019, 9:30 a.m.

PLACE: Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

One or more Commissioners may be in attendance and participate in the workshop. In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or (850)413-6770 (Florida Relay Service, 1(800)955-8770 Voice or 1-(800)955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

THE PERSONS TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, ARE: Adria Harper, (850)413-6082, aharper@psc.state.fl.us or Andrew King, (850)413-6195, aking@psc.state.fl.us. A copy of the agenda and materials for the workshop will be posted on the Commission's website, www.floridapsc.com, under the Rule Development tab on June 11, 2019.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSONS LISTED ABOVE.

FLORIDA PUBLIC SERVICE COMMISSION

AGENDA

STAFF WORKSHOP

In re: Proposed Adoption of Rule 25-6.030, F.A.C., Storm Protection Plan and Rule 25-6.031, F.A.C., Storm Protection Plan Cost Recovery Clause, and proposed amendment or repeal of Rule 25-6.0143, Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, Rule 25-6.034, Standard of Construction, Rule 25-6.0341, Location of the Utility's Electric Distribution Facilities, Rule 25-6.0342, Electric Infrastructure Storm Hardening, Rule 25-6.0343, Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements, Rule 25-6.0345, Safety Standards for Construction of New Transmission and Distribution Facilities, Rule 25-6.044 Continuity of Service, Rule 25-6.0455, Annual Distribution Service Reliability Report, Rule 25-6.061, Relocation of Poles, Rule 25-6.064, Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, Rule 25-6.077, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.078, Schedule of Charges, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.081, Construction Practices, Rule 25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities.

June 25, 2019

9:30 a.m.

Betty Easley Conference Center, Room 148
4075 Esplanade Way
Tallahassee, Florida 32399-0850

1. Welcome – Staff.
2. Presentation and Overview of SB 796 – Staff.
3. Staff overview and stakeholder comments on draft Rule 25-6.030, Storm Protection Plan.
4. Staff overview and stakeholder comments on draft Rule 25-6.031, Storm Protection Plan Cost Recovery Clause.
5. Staff overview and stakeholder comments on whether existing PSC rules should be amended or repealed.
6. Additional Topics for Discussion:
 - a. What process should be utilized by the Commission to consider petitions to

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approve utility Storm Protection Plans? What should be the timing of Storm Protection Plan filings and related Commission actions?

- b. How, if at all, are the ten storm preparedness initiatives established by Order No. PSC-06-0351-PAA-EI, issued April 25, 2006, in Docket No. 060198-EI, impacted by SB 796?
 - c. How, if at all, are the pole inspection and reporting requirements established by Order No. PSC-06-0144-PAA-EI, issued February 27, 2006, in Docket No. 060078-EI, impacted by SB 796?
 - d. How, if at all, will the existing PSC rules included in this notice of rulemaking workshop be impacted by SB 796 and the new rules on Storm Protection Plans and the Storm Protection Plan Cost Recovery Clause?
 - e. What should be the timing of utility Storm Protection Plan Cost Recovery Clause filings and related Commission actions, including the annual hearing?
 - f. How, if at all, does SB 796 impact the method of recovery of vegetation management expenses?
 - g. What process should be utilized by the Commission to ensure that Storm Protection Plan costs do not include costs recovered through a utility's base rates?
 - h. For billing purposes, how will the factors established in the Storm Protection Plan Cost Recovery Clause be treated?
7. Discussion of next steps
 8. Adjourn

1 **25-6.030 Storm Protection Plan.**

2 (1) Purpose and Procedures. The objective of a utility’s Transmission and Distribution
3 Storm Protection Plan (Storm Protection Plan) is to strengthen electric utility infrastructure to
4 withstand extreme weather conditions through overhead hardening and increased resilience of
5 the utility’s existing electric transmission and distribution facilities, undergrounding of electric
6 distribution facilities, and vegetation management, thereby reducing outage times and
7 restoration costs associated with extreme weather events and improving overall service
8 reliability. Each electric public utility must file a petition with the Commission for the
9 approval of a Storm Protection Plan that covers the utility’s immediate 10-year planning
10 period. Each utility must file, for Commission approval, an updated Storm Protection Plan at
11 least every 3 years.

12 (2) Definitions.

13 (a) “Storm protection project” – For purposes of this rule, storm protection project means
14 the enhancement, replacement, or undergrounding of a specified portion of existing electric
15 transmission or distribution facilities for the purpose of reducing restoration costs, reducing
16 outage times, and improving overall service reliability.

17 (b) “Transmission and distribution facilities” – For purposes of this rule, transmission and
18 distribution facilities include all electric public utility owned poles and fixtures, towers and
19 fixtures, overhead conductors and devices, land and land rights, roads and trails, underground
20 conduits, and underground conductors.

21 (3) Contents of the Plan. Each utility’s Storm Protection Plan must contain a description of
22 how the proposed plan will replace and strengthen the utility’s existing transmission and
23 distribution facilities and manage vegetation in order to reduce restoration costs and outage
24 times associated with extreme weather events and enhance overall service reliability. Each
25 Storm Protection Plan must contain the following information:

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- 1 (a) A description of the criteria used to select and prioritize proposed storm protection
2 projects.
- 3 (b) A description of each proposed storm protection project that includes:
- 4 1. The projected construction start and completion dates;
- 5 2. A description of any alternative storm protection projects that were considered,
6 including the reasons for not selecting the alternative;
- 7 3. A description of how the proposed storm protection project is projected to strengthen
8 the utility's existing transmission and distribution facilities and an estimate of the resulting
9 reduction in outage times and restoration costs due to extreme weather events;
- 10 4. A description of the affected existing facilities, including number and type(s) of
11 customers served, historic service reliability performance during extreme weather events, and
12 how this data was used to prioritize the proposed storm protection project;
- 13 5. A cost estimate including capital and operating expenses, both fixed and variable;
- 14 6. A comparison of the costs identified in (e) and benefits identified in (c); and
- 15 7. Any other factors the utility requests the Commission to consider.
- 16 (c) A description of the utility's service area, including areas prioritized for enhancement
17 and any areas where the utility has determined that the strengthening of the utility's existing
18 transmission and distribution facilities would not be feasible, reasonable, or practical. Such
19 description must include a general map, number of customers served within each area, and the
20 utility's reasoning for prioritizing certain areas for enhanced performance and for designating
21 other areas of the system as not feasible, reasonable, or practical.
- 22 (d) A description of each vegetation management activity including:
- 23 1. The projected locations and frequency;
- 24 2. The projected miles of affected transmission and distribution overhead facilities; and
- 25 3. The estimated annual labor and equipment costs for both utility and contractor

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1 personnel; and

2 4. An estimate of how the vegetation management activity will reduce outage times and
3 restoration costs due to extreme weather events.

4 (e) An estimate of the annual jurisdictional revenue requirements and resulting rate
5 impacts for each year of the Storm Protection Plan for residential, commercial, and industrial
6 customers.

7 (f) A description of any project or deployment strategy alternatives that could mitigate the
8 resulting rate impact for the first three years of the proposed Storm Protection Plan.

9 *Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History–New _____.*

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1 **25-6.031 Storm Protection Plan Cost Recovery Clause.**

2 (1) Purpose. The purpose of this rule is to establish a recovery mechanism for costs
3 prudently incurred to implement an approved Transmission and Distribution Storm Protection
4 Plan (Storm Protection Plan).

5 (2) After the Commission has issued a final order approving a utility's Storm Protection
6 Plan, a utility may file a petition for recovery of associated costs through the storm protection
7 plan cost recovery clause. A utility's petition shall be supported by testimony that provides
8 details on the annual activities and costs that are the subject of its petition.

9 (3) An annual hearing will be conducted to determine the reasonableness of projected
10 Storm Protection Plan costs, the prudence of actual Storm Protection Plan costs incurred by
11 the utility, and to establish Storm Protection Plan cost recovery factors.

12 (4) Deferred accounting treatment. Storm Protection Plan costs shall be afforded deferred
13 accounting treatment at the 30-day commercial paper rate, except for projected costs that are
14 recovered on a projected basis in one annual cycle.

15 (5) Subaccounts. To ensure separation of costs subject to recovery through the clause, each
16 utility filing for cost recovery shall maintain subaccounts for all items consistent with the
17 Uniform System of Accounts prescribed by this Commission, pursuant to Rule 25-6.014,
18 F.A.C.

19 (6) Recoverable costs.

20 (a) Storm Protection Plan costs recoverable through the clause shall not include costs
21 recovered through the utility's base rates or any other cost recovery mechanism.

22 (b) The utility may recover the annual depreciation expense on capitalized Storm
23 Protection Plan expenditures using the utility's most recent Commission-approved
24 depreciation rates. The utility may recover a return on the undepreciated balance of the costs
25 calculated at the utility's weighted average cost of capital using the return on equity most

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1 recently approved by the Commission in a rate case or settlement order.

2 (7) Pursuant to the order establishing procedure in the annual cost recovery proceeding, a
3 utility shall submit the following each year for Commission review and approval as part of its
4 cost recovery filings:

5 (a) Final True-Up for Previous Years. A utility shall submit its final true-up of Storm
6 Protection Plan revenue requirements based on actual costs for the prior year and previously
7 filed costs and revenue requirements for such prior year and a description of the work actually
8 performed during such year.

9 (b) Estimated True-Up and Projections for Current Year. A utility shall submit its
10 actual/estimated true-up of projected Storm Protection Plan revenue requirements based on a
11 comparison of current year actual/estimated costs and the previously-filed estimated costs and
12 revenue requirements for such current year and a description of the work projected to be
13 performed during such year.

14 (c) Projected Costs for Subsequent Years. A utility shall submit its projected Storm
15 Protection Plan costs and revenue requirements for the subsequent year and a description of
16 the work projected to be performed during such year.

17 (d) True-Up of Variances. The utility shall report observed true-up variances including
18 sales forecasting errors, changes in the utility's prices of services and/or equipment, and
19 changes in the scope of work relative to the estimates provided pursuant to subparagraphs
20 (7)(b) and (7)(c). The utility shall also provide explanations for variances regarding the
21 deployment of the approved Storm Protection Plan.

22 (e) Proposed Storm Protection Plan Cost Recovery Factors. The utility shall provide the
23 calculations of its proposed factors to be effective for the 12-month billing period beginning
24 January 1 following the annual proceeding.

25 (8) Any request to modify an approved Storm Protection Plan must be through a petition

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1 filed pursuant to Rule 25-6.030, F.A.C., separate from any petition for cost recovery. Once a
2 Storm Protection Plan modification has been approved, the utility may file a petition to revise
3 its cost recovery factors to reflect the modification.

4 (9) Contemporaneously with the required filing in paragraph (7)(a) of this rule, a utility
5 must submit a status report on the utility's Storm Protection Plan projects. The status report
6 shall include:

7 (a) Identification of all projects completed or planned for completion;

8 (b) Actual costs and rate impacts associated with each completed project as compared to
9 the estimated costs and rate impacts for each project; and

10 (c) Estimated costs and rate impacts associated with each project planned for completion.

11 *Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History–New _____.*

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1 **25-6.0143 Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4.**

2 (1) Account No. 228.1 Accumulated Provision for Property Insurance.

3 (a) This account may be established to provide for losses through accident, fire, flood,
4 storms, nuclear accidents and similar type hazards to the utility's own property or property
5 leased from others, which is not covered by insurance. This account would also include
6 provisions for the deductible amounts contained in property loss insurance policies held by the
7 utility as well as retrospective premium assessments stemming from nuclear accidents under
8 various insurance programs covering nuclear generating plants. A schedule of risks covered
9 shall be maintained, giving a description of the property involved, the character of risks
10 covered and the accrual rates used.

11 (b) Except as provided in paragraphs (1)(f), (1)(g) and (1)(h) charges to this account shall
12 be made for all occurrences in accordance with the schedule of risks to be covered which are
13 not covered by insurance. Recoveries, insurance proceeds or reimbursements for losses
14 charged to this account shall be credited to the account.

15 (c) A separate subaccount shall be established for that portion of Account No. 228.1 which
16 is designated to cover storm-related damages to the utility's own property or property leased
17 from others that is not covered by insurance. The records supporting the entries to this account
18 shall be so kept that the utility can furnish full information as to each storm event included in
19 this account.

20 (d) In determining the costs to be charged to cover storm-related damages, the utility shall
21 use an Incremental Cost and Capitalization Approach methodology (ICCA). Under the ICCA
22 methodology, the costs charged to cover storm-related damages shall exclude those costs that
23 normally would be charged to non-cost recovery clause operating expenses in the absence of a
24 storm. Under the ICCA methodology for determining the allowable costs to be charged to
25 cover storm-related damages, the utility will be allowed to charge to Account No. 228.1 costs

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1 that are incremental to costs normally charged to non-cost recovery clause operating expenses
2 in the absence of a storm. All costs charged to Account 228.1 are subject to review for
3 prudence and reasonableness by the Commission. In addition, capital expenditures for the
4 removal, retirement and replacement of damaged facilities charged to cover storm-related
5 damages shall exclude the normal cost for the removal, retirement and replacement of those
6 facilities in the absence of a storm. The utility shall notify the Director of the Commission
7 Clerk in writing for each incident expected to exceed \$10 million.

8 (e) The types of storm related costs allowed to be charged to the reserve under the ICCA
9 methodology include, but are not limited to, the following:

- 10 1. Additional contract labor hired for storm restoration activities;
- 11 2. Logistics costs of providing meals, lodging, and linens for tents and other staging areas;
- 12 3. Transportation of crews for storm restoration;
- 13 4. Vehicle costs for vehicles specifically rented for storm restoration activities;
- 14 5. Waste management costs specifically related to storm restoration activities;
- 15 6. Rental equipment specifically related to storm restoration activities;
- 16 7. Materials and supplies used to repair and restore service and facilities to pre-storm
17 condition, such as poles, transformers, meters, light fixtures, wire, and other electrical
18 equipment, excluding those costs that normally would be charged to non-cost recovery clause
19 operating expenses in the absence of a storm;
- 20 8. Overtime payroll and payroll-related costs for utility personnel included in storm
21 restoration activities;
- 22 9. Fuel cost for company and contractor vehicles used in storm restoration activities; and
- 23 10. Cost of public service announcements regarding key storm-related issues, such as
24 safety and service restoration estimates.

25 (f) The types of storm related costs prohibited from being charged to the reserve under the
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1 ICCA methodology include, but are not limited to, the following:

- 2 1. Base rate recoverable regular payroll and regular payroll-related costs for utility
3 managerial and non-managerial personnel;
- 4 2. Bonuses or any other special compensation for utility personnel not eligible for
5 overtime pay;
- 6 3. Base rate recoverable depreciation expenses, insurance costs and lease expenses for
7 utility-owned or utility-leased vehicles and aircraft;
- 8 4. Utility employee assistance costs;
- 9 5. Utility employee training costs incurred prior to 72 hours before the storm event;
- 10 6. Utility advertising, media relations or public relations costs, except for public service
11 announcements regarding key storm-related issues as listed above in subparagraph (1)(e)10.;
- 12 7. Utility call center and customer service costs, except for non-budgeted overtime or other
13 non-budgeted incremental costs associated with the storm event;
- 14 8. Tree trimming expenses, incurred in any month in which storm damage restoration
15 activities are conducted, that are less than the actual monthly average of tree trimming costs
16 charged to operation and maintenance expense for the same month in the three previous
17 calendar years;
- 18 9. Utility lost revenues from services not provided; and
- 19 10. Replenishment of the utility's materials and supplies inventories.

20 (g) Under the ICCA methodology for determining the allowable costs to be charged to
21 cover storm-related damages, certain costs may be charged to Account 228.1 only after review
22 and approval by the Commission. Prior to the Commission's determination of the
23 appropriateness of including such costs in Account No. 228.1, the costs may be deferred in
24 Account No. 186, Miscellaneous Deferred Debits. The deferred costs must be incurred prior to
25 June 1 of the year following the storm event. By September 30 a utility shall file a petition for
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1 the disposition of any costs deferred prior to June 1 of the year following the storm event
2 giving rise to the deferred costs. These costs include, but are not limited to, the following:

3 1. Costs of normal non-storm related activities which must be performed by employees or
4 contractors not assigned to storm damage restoration activities (“back-fill work”) or normal
5 non-storm related activities which must be performed following the restoration of service after
6 a storm by an employee or contractor assigned to storm damage restoration activities in
7 addition to the employee’s or contractor’s regular activities (“catch-up work”); and

8 2. Uncollectible accounts expenses.

9 (h) A utility may, at its own option, charge storm-related costs as operating expenses
10 rather than charging them to Account No. 228.1. The utility shall notify the Director of the
11 Commission Clerk in writing and provide a schedule of the amounts charged to operating
12 expenses for each incident exceeding \$5 million. The schedule shall be filed annually by
13 February 15 of each year for information pertaining to the previous calendar year.

14 (i) If the charges to Account No. 228.1 exceed the account balance, the excess shall be
15 carried as a debit balance in Account No. 228.1 and no request for a deferral of the excess or
16 for the establishment of a regulatory asset is necessary.

17 (j) A utility may petition the Commission for the recovery of a debit balance in Account
18 No. 228.1 plus an amount to replenish the storm reserve through a surcharge, securitization or
19 other cost recovery mechanism.

20 (k) A utility shall not establish or change an annual accrual amount or a target accumulated
21 balance amount for Account No. 228.1 without prior Commission approval.

22 (l) Each utility shall file a Storm Damage Self-Insurance Reserve Study (Study) with the
23 Commission Clerk by January 15, 2011 and at least once every 5 years thereafter from the
24 submission date of the previously filed study. A Study shall be filed whenever the utility is
25 seeking a change to either the target accumulated balance or the annual accrual amount for
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1 Account No. 228.1. At a minimum, the Study shall include data for determining a target
2 balance for, and the annual accrual amount to, Account No. 228.1.

3 (m) Each utility shall file a report with the Director of the Commission Clerk providing
4 information concerning its efforts to obtain commercial insurance for its transmission and
5 distribution facilities and any other programs or proposals that were considered. The report
6 shall also include a summary of the amounts recorded in Account 228.1. The report shall be
7 filed annually by February 15 of each year for information pertaining to the previous calendar
8 year.

9 (2) Account No. 228.2 Accumulated Provision for Injuries and Damages.

10 (a) This account may be established to meet the probable liability, not covered by
11 insurance, for deaths or injuries to employees or others and for damages to property neither
12 owned nor held under lease by the utility. When liability for any injury or damage is admitted
13 or settled by the utility either voluntarily or because of the decision of a Court or other lawful
14 authority, such as a workman's compensation board, the admitted liability or the amount of
15 the settlement shall be charged to this account.

16 (b) Charges to this account shall be made for all losses covered. Detailed supporting
17 records of charges made to this account shall be maintained in such a way that the year the
18 event occurred which gave rise to the loss can be associated with the settlement. Recoveries or
19 reimbursements for losses charged to the account shall be credited to the account.

20 (3) Account No. 228.4 Accumulated Miscellaneous Operating Provisions.

21 (a) This account may be established for operating provisions which are not covered
22 elsewhere. This account shall be maintained in such a manner as to show the amount of each
23 separate provision established by the utility and the nature and amounts of the debits and
24 credits thereto. Each separate provision shall be identified as to purpose and the specific
25 events to be charged to the account to ensure that all such events and only those events are

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1 | charged to the provision accounts.

2 | (b) Charges to this account shall be made for all costs or losses covered. Recoveries or
3 | reimbursements for amounts charged to this account shall be credited hereto.

4 | (4)(a) The provision level and annual accrual rate for each account listed in subsections (1)
5 | through (3) shall be evaluated at the time of a rate proceeding and adjusted as necessary.

6 | However, a utility may petition the Commission for a change in the provision level and
7 | accrual outside a rate proceeding.

8 | (b) If a utility elects to use any of the above listed accumulated provision accounts, each
9 | and every loss or cost which is covered by the account shall be charged to that account and
10 | shall not be charged directly to expenses except as provided for in paragraphs (1)(f), (1)(g)
11 | and (1)(h). Charges shall be made to accumulated provision accounts regardless of the balance
12 | in those accounts.

13 | (c) No utility shall fund any account listed in subsections (1) through (3) unless the
14 | Commission approves such funding. Existing funded provisions which have not been
15 | approved by the Commission shall be credited by the amount of the funded balance with a
16 | corresponding debit to the appropriate current asset account, resulting in an unfunded
17 | provision.

18 | *Rulemaking Authority 366.05(1) FS. Law Implemented 350.115, 366.04(2)(a) FS. History—*
19 | *New 3-17-88, Amended 6-11-07.*

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1 **25-6.0342 Electric Infrastructure Storm Hardening.**

2 (1) Application and Scope. This rule is intended to ensure the provision of safe, adequate,
3 and reliable electric transmission and distribution service for operational as well as emergency
4 purposes; require the cost-effective strengthening of critical electric infrastructure to increase
5 the ability of transmission and distribution facilities to withstand extreme weather conditions;
6 and reduce restoration costs and outage times to end-use customers associated with extreme
7 weather conditions. This rule applies to all investor-owned electric utilities.

8 (2) Storm Hardening Plans. Each utility shall, no later than 90 days after the effective date
9 of this rule, file with the Commission for its approval a detailed storm hardening plan. Each
10 utility's plan shall be updated every 3 years, unless the Commission, on its own motion or on
11 petition by a substantially affected person or utility, initiates a proceeding to review and, if
12 appropriate, modify the plans. In a proceeding to approve a utility's plan, the Commission
13 shall consider whether the utility's plan meets the desired objectives of enhancing reliability
14 and reducing restoration costs and outage times in a prudent, practical, and cost-effective
15 manner to the affected parties.

16 (3) Contents of Plan: Each utility storm hardening plan shall contain a detailed description
17 of the construction standards, policies, practices, and procedures employed to enhance the
18 reliability of overhead and underground electrical transmission and distribution facilities in
19 conformance with the provisions of this rule. Each filing shall, at a minimum, address the
20 extent to which the utility's storm hardening plan:

21 (a) Complies, at a minimum, with the National Electric Safety Code (ANSI C-2) [NESC]
22 that is applicable pursuant to subsection 25-6.0345(2), F.A.C.

23 (b) Adopts the extreme wind loading standards specified by Figure 250-2(d) of the 2007
24 edition of the NESC for the following distribution facilities:

25 1. New construction;

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1 2. Major planned work, including expansion, rebuild, or relocation of existing facilities,
2 assigned on or after the effective date of this rule; and

3 3. Critical infrastructure facilities and along major thoroughfares taking into account
4 political and geographical boundaries and other applicable operational considerations.

5 (c) Is designed to mitigate damage to underground and supporting overhead transmission
6 and distribution facilities due to flooding and storm surges.

7 (d) Provides for the placement of new and replacement distribution facilities so as to
8 facilitate safe and efficient access for installation and maintenance pursuant to Rule 25-
9 6.0341, F.A.C.

10 (4) Deployment Strategy: Each utility storm hardening plan shall explain the systematic
11 approach the utility will follow to achieve the desired objectives of enhancing reliability and
12 reducing restoration costs and outage times associated with extreme weather events. The
13 utility's storm hardening plan shall provide a detailed description of its deployment strategy
14 including, but not limited to the following:

15 (a) A description of the facilities affected; including technical design specifications,
16 construction standards, and construction methodologies employed.

17 (b) The communities and areas within the utility's service area where the electric
18 infrastructure improvements, including facilities identified by the utility as critical
19 infrastructure and along major thoroughfares pursuant to subparagraph (3)(b)3. are to be
20 made.

21 (c) The extent to which the electric infrastructure improvements involve joint use facilities
22 on which third-party attachments exist.

23 (d) An estimate of the costs and benefits to the utility of making the electric infrastructure
24 improvements, including the effect on reducing storm restoration costs and customer outages.

25 (e) An estimate of the costs and benefits, obtained pursuant to subsection (6) below, to
CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from
existing law.

1 | third-party attachers affected by the electric infrastructure improvements, including the effect
2 | on reducing storm restoration costs and customer outages realized by the third-party attachers.

3 | (5) Attachment Standards and Procedures: As part of its storm hardening plan, each utility
4 | shall maintain written safety, reliability, pole loading capacity, and engineering standards and
5 | procedures for attachments by others to the utility's electric transmission and distribution
6 | poles (Attachment Standards and Procedures). The Attachment Standards and Procedures shall
7 | meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is
8 | applicable pursuant to Rule 25-6.034, F.A.C. so as to assure, as far as is reasonably
9 | practicable, that third-party facilities attached to electric transmission and distribution poles do
10 | not impair electric safety, adequacy, or pole reliability; do not exceed pole loading capacity;
11 | and are constructed, installed, maintained, and operated in accordance with generally accepted
12 | engineering practices for the utility's service territory.

13 | (6) Input from Third-Party Attachers: In establishing its storm hardening plan and
14 | Attachment Standards and Procedures, or when updating or modifying such plan or
15 | Attachment Standards and Procedures, each utility shall seek input from and attempt in good
16 | faith to accommodate concerns raised by other entities with existing agreements to share the
17 | use of its electric facilities. Any third-party attacher that wishes to provide input under this
18 | subsection shall provide the utility contact information for the person designated to receive
19 | communications from the utility.

20 | (7) Dispute Resolution: Any dispute or challenge to a utility's storm hardening plan,
21 | construction standards, deployment strategy, Attachment Standards and Procedures, or any
22 | projects implementing any of the above by a customer, applicant for service, or attaching
23 | entity shall be resolved by the Commission.

24 | (8) Nothing in this rule is intended to conflict with Title 47, United States Code, Section
25 | 224, relating to Federal Communications Commission jurisdiction over pole attachments.

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2)(c), (5), (6),*
2 *366.05(1) FS. History—New 2-1-07.*

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1 **25-6.0343 Municipal Electric Utility and Rural Electric Cooperative Reporting**

2 **Requirements.**

3 (1) Application and Scope. The purpose of this rule is to define certain reporting
4 requirements by municipal electric utilities and rural electric cooperatives providing
5 distribution service to end-use customers in Florida.

6 (2) The reports required by subsections (3), (4), and (5) of this rule shall be filed with the
7 Commission Clerk by March 1 of each year for the preceding calendar year.

8 (3) Standards of Construction. Each municipal electric utility and rural electric cooperative
9 shall report the extent to which its construction standards, policies, practices, and procedures
10 are designed to address the ability of transmission and distribution facilities to mitigate
11 damage caused by extreme weather. Each utility report shall, at a minimum, address the extent
12 to which its construction standards, policies, guidelines, practices, and procedures:

13 (a) Comply, at a minimum, with the National Electrical Safety Code (ANSI C-2) [NESC].
14 For electrical facilities constructed on or after February 1, 2007, the 2007 NESC shall apply.
15 Electrical facilities constructed prior to February 1, 2007, shall be governed by the edition of
16 the NESC in effect at the time of the facility's initial construction. A copy of the 2007 NESC,
17 ISBN number 0-7381-4893-8, may be obtained from the Institute of Electric and Electronic
18 Engineers, Inc. (IEEE).

19 (b) Are guided by the extreme wind loading standards specified by Figure 250-2(d) of the
20 2002 edition of the NESC for:

- 21 1. New construction;
- 22 2. Major planned work, including expansion, rebuild, or relocation of existing facilities,
23 assigned on or after the effective date of this rule; and

24 3. Targeted critical infrastructure facilities and major thoroughfares taking into account
25 political and geographical boundaries and other applicable operational considerations.

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1 (c) Address the effects of flooding and storm surges on underground distribution facilities
2 and supporting overhead facilities.

3 (d) Provide for placement of new and replacement distribution facilities so as to facilitate
4 safe and efficient access for installation and maintenance.

5 (e) Include written safety, pole reliability, pole loading capacity, and engineering standards
6 and procedures for attachments by others to the utility's electric transmission and distribution
7 poles.

8 (4) Facility Inspections. Each municipal electric utility and rural electric cooperative shall
9 report, at a minimum, the following information pertaining to its transmission and distribution
10 facilities:

11 (a) A description of the utility's policies, guidelines, practices, and procedures for
12 inspecting transmission and distribution lines, poles, and structures including, but not limited
13 to, pole inspection cycles and pole selection process.

14 (b) The number and percentage of transmission and distribution inspections planned and
15 completed.

16 (c) The number and percentage of transmission poles and structures and distribution poles
17 failing inspection and the reason for the failure.

18 (d) The number and percentage of transmission poles and structures and distribution poles,
19 by pole type and class of structure, replaced or for which remediation was taken after
20 inspection, including a description of the remediation taken.

21 (5) Vegetation Management. Each municipal electric utility and rural electric cooperative
22 shall report, at a minimum, the following information pertaining to the utility's vegetation
23 management efforts:

24 (a) A description of the utility's policies, guidelines, practices, and procedures for
25 vegetation management, including programs addressing appropriate planting, landscaping, and
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existing law.

1 | problem tree removal practices for vegetation management outside of road right-of-ways or
2 | easements, and an explanation as to why the utility believes its vegetation management
3 | practices are sufficient.

4 | (b) The quantity, level, and scope of vegetation management planned and completed for
5 | transmission and distribution facilities.

6 | *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2)(f), (6) FS.*

7 | *History—New 12-10-06.*

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1 **25-6.061 Relocation of Poles.**

2 (1) When a utility is required by governmental or other valid authority to move poles, as,
3 for example, the widening of streets or from public to privately-owned right-of-way, the utility
4 is not required to furnish a new service entrance. It shall, however, run a service drop to the
5 nearest point that meets local or national code requirements on each building served from the
6 new pole location and remove the old service drop without expense to the customer.

7 (2) If the utility relocates its poles of its own volition, the utility shall supply and connect a
8 new service entrance and remove the old without cost to the customer; or the utility may
9 attach its system to the existing service entrance without expense to the customer, provided
10 that local or national code requirements are met.

11 (3) If a utility is required by governmental or other valid authority to install underground
12 distribution, and abandon overhead distribution, the utility shall not be required to bear any of
13 the cost of making the necessary changes on the customer's premises, except for the removal
14 of the overhead service drop.

15 (4) If the utility elects to change an existing customer's service drop from overhead to
16 underground, the utility shall bear all of the costs associated with the necessary changes.

17 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.03, 366.05(1) FS. History—New 7-*
18 *29-69, Formerly 25-6.61.*

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25-6.064 Contribution-in-Aid-of-Construction for Installation of New or Upgraded

Facilities.

(1) Application and scope. The purpose of this rule is to establish a uniform procedure by which investor-owned electric utilities calculate amounts due as contributions-in-aid-of-construction (CIAC) from customers who request new facilities or upgraded facilities in order to receive electric service, except as provided in Rule 25-6.078, F.A.C.

(2) Contributions-in-aid-of-construction for new or upgraded overhead facilities (CIAC_{OH}) shall be calculated as follows:

| | | | | | | |
|--------------------|---|--|---|---|---|--|
| CIAC _{OH} | = | Total estimated work order job cost of installing the facilities | - | Four years expected incremental base energy revenue | - | Four years expected incremental base demand revenue, if applicable |
|--------------------|---|--|---|---|---|--|

(a) The cost of the service drop and meter shall be excluded from the total estimated work order job cost for new overhead facilities.

(b) The net book value and cost of removal, net of the salvage value, for existing facilities shall be included in the total estimated work order job cost for upgrades to those existing facilities.

(c) The expected annual base energy and demand charge revenues shall be estimated for a period ending not more than 5 years after the new or upgraded facilities are placed in service.

(d) In no instance shall the CIAC_{OH} be less than zero.

(3) Contributions-in-aid-of-construction for new or upgraded underground facilities (CIAC_{UG}) shall be calculated as follows:

| | | | | |
|--------------------|---|--------------------|---|---|
| CIAC _{UG} | = | CIAC _{OH} | + | Estimated difference between cost of providing the service underground and overhead |
|--------------------|---|--------------------|---|---|

(4) Each utility shall apply the formula in subsections (2) and (3) of this rule uniformly to
 CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1 residential, commercial and industrial customers requesting new or upgraded facilities at any
2 voltage level.

3 (5) The costs applied to the formula in subsections (2) and (3) shall be based on the
4 requirements of Rule 25-6.0342, F.A.C., Electric Infrastructure Storm.

5 (6) All CIAC calculations under this rule shall be based on estimated work order job costs. In
6 addition, each utility shall use its best judgment in estimating the total amount of annual
7 revenues which the new or upgraded facilities are expected to produce.

8 (a) A customer may request a review of any CIAC charge within 12 months following the in-
9 service date of the new or upgraded facilities. Upon request, the utility shall true-up the CIAC
10 to reflect the actual costs of construction and actual base revenues received at the time the
11 request is made.

12 (b) In cases where more customers than the initial applicant are expected to be served by the
13 new or upgraded facilities, the utility shall prorate the total CIAC over the number of end-use
14 customers expected to be served by the new or upgraded facilities within a period not to
15 exceed 3 years, commencing with the in-service date of the new or upgraded facilities. The
16 utility may require a payment equal to the full amount of the CIAC from the initial customer.

17 For the 3-year period following the in-service date, the utility shall collect from those
18 customers a prorated share of the original CIAC amount, and credit that to the initial customer
19 who paid the CIAC. The utility shall file a tariff outlining its policy for the proration of CIAC.
20 (7) The utility may elect to waive all or any portion of the CIAC for customers, even when a
21 CIAC is found to be applicable. If however, the utility waives a CIAC, the utility shall reduce
22 net plant in service as though the CIAC had been collected, unless the Commission determines
23 that there is a quantifiable benefit to the general body of ratepayers commensurate with the
24 waived CIAC. Each utility shall maintain records of amounts waived and any subsequent
25 changes that served to offset the CIAC.

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1 (8) A detailed statement of its standard facilities extension and upgrade policies shall be filed
2 by each utility as part of its tariffs. The tariffs shall have uniform application and shall be
3 nondiscriminatory.

4 (9) If a utility and applicant are unable to agree on the CIAC amount, either party may appeal
5 to the Commission for a review.

6 *Rulemaking Authority 366.05(1), 350.127(2) FS. Law Implemented 366.03, 366.05(1),*
7 *366.06(1) FS. History—New 7-29-69, Amended 7-2-85, Formerly 25-6.64, Amended 2-1-07.*

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1 **25-6.077 Installation of Underground Distribution Systems Within New Subdivisions.**

2 (1) When required. After acceptance by the utility of a proper application, the utility shall
3 define the geographical area described and entailed by said application a “Designated
4 Underground Area.” The utility shall design and install a suitable underground electric
5 distribution system with sufficient capacity and suitable materials which, in its judgment, will
6 assure that the applicant will receive reasonably safe and adequate electric service for the
7 reasonably foreseeable future.

8 (2) Facilities required to be underground.

9 (a) All service, secondary, and primary distribution conductors with the possible exception
10 of feeder mains shall be underground. Appurtenances such as transformers, pedestal mounted
11 terminals, switching equipment, and meter cabinets may be placed above ground at the
12 discretion of the utility.

13 (b) At the option of the applicant and subject to requirements of governmental authorities
14 and Rule 25-6.078, F.A.C., new feeder mains or portions thereof required to supply service
15 within the subdivision, supply location distribution, or to serve spot loads may be either
16 overhead or underground.

17 (3) Service connection. The service connection to the building will normally be at or near
18 the part of the building nearest the point at which the underground secondary electric supply is
19 available to the property to be served. If the service connection point selected on any building
20 requires the installation of a service lateral in excess of 75 feet, then the applicant may be
21 required to pay for the service lateral and installation in excess of 75 feet in accordance with
22 the utility’s tariff rules and regulations on file with the Commission; except as provided under
23 subsection 25-6.078(6), F.A.C., herein.

24 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.03, 366.04(6), 366.041(1), (4),*
25 *366.05(1), 366.06(1) FS. History—New 4-10-71, Amended 4-13-80, Formerly 25-6.77,*

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1 *Amended 10-29-97.*

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1 **25-6.081 Construction Practices.**

2 (1) The provisions in these rules are based on the premise that each applicant and utility
3 will provide a cooperative effort to keep the cost of construction and installation of
4 underground systems as low as possible.

5 (2) Each utility shall undertake to further improve underground construction proficiency
6 toward the end that the downward trends in underground construction costs may be continued.

7 (3) To the extent practicable, joint use of trenches by all utilities shall be undertaken where
8 economies can be realized without impairment to safety or service, care being taken to
9 conform to any applicable Code and utility specification.

10 (4) To the extent practicable, where existing aerial facilities are being retired and removed
11 from service, replacement will be made with underground construction whenever
12 economically feasible.

13 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.03 FS. History—New 4-10-71,*
14 *Formerly 25-6.81.*

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1 **25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned**
2 **Distribution Facilities.**

3 (1) Each investor-owned utility shall file a tariff showing the non-refundable deposit
4 amounts for standard applications addressing the conversion of existing overhead electric
5 distribution facilities to underground facilities. The tariff shall include the general provisions
6 and terms under which the public utility and applicant may enter into a contract for the
7 purpose of converting existing overhead facilities to underground facilities. The non-
8 refundable deposit amounts shall be calculated in the same manner as the engineering costs for
9 underground facilities serving each of the following scenarios: urban commercial, urban
10 residential, rural residential, existing low-density single family home subdivision and existing
11 high-density single family home subdivision service areas.

12 (2) For purposes of this rule, the applicant is the person or entity requesting the conversion
13 of existing overhead electric distribution facilities to underground facilities. In the instance
14 where a local ordinance requires developers to install underground facilities, the developer
15 who actually requests the construction for a specific location is deemed the applicant for
16 purposes of this rule.

17 (3) Nothing in the tariff shall prevent the applicant from constructing and installing all or a
18 portion of the underground distribution facilities provided:

19 (a) Such work meets the investor-owned utility's construction standards;

20 (b) The investor-owned utility will own and maintain the completed distribution facilities;

21 and

22 (c) Such agreement is not expected to cause the general body of ratepayers to incur
23 additional costs.

24 (4) Nothing in the tariff shall prevent the applicant from requesting a non-binding cost
25 estimate which shall be provided to the applicant free of any charge or fee.

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1 (5) Upon an applicant's request and payment of the deposit amount, an investor-owned
2 utility shall provide a binding cost estimate for providing underground electric service.

3 (6) An applicant shall have at least 180 days from the date the estimate is received to enter
4 into a contract with the public utility based on the binding cost estimate. The deposit amount
5 shall be used to reduce the charge as indicated in subsection (7) only when the applicant enters
6 into a contract with the public utility within 180 days from the date the estimate is received by
7 the applicant, unless this period is extended by mutual agreement of the applicant and the
8 utility.

9 (7) The charge paid by the applicant shall be the charge for the proposed underground
10 facilities as indicated in subsection (8) minus the charge for overhead facilities as indicated in
11 subsection (9) minus the non-refundable deposit amount. The applicant shall not be required
12 to pay an additional amount which exceeds 10 percent of the binding cost estimate.

13 (8) For the purpose of this rule, the charge for the proposed underground facilities shall
14 include:

15 (a) The estimated cost of construction of the underground distribution facilities based on
16 the requirements of Rule 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening
17 Standards of Construction, including the construction cost of the underground service
18 lateral(s) to the meter(s) of the customer(s); and

19 (b) The estimated remaining net book value of the existing facilities to be removed less the
20 estimated net salvage value of the facilities to be removed.

21 (9) For the purpose of this rule, the charge for overhead facilities shall be the estimated
22 construction cost to build new overhead facilities, including the service drop(s) to the meter(s)
23 of the customer(s). Estimated construction costs shall be based on the requirements of Rule
24 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening.

25 (10) An applicant requesting construction of underground distribution facilities under this
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existing law.

1 rule may challenge the utility's cost estimates pursuant to Rule 25-22.032, F.A.C.

2 (11) For purposes of computing the charges required in subsections (8) and (9):

3 (a) The utility shall include the Net Present Value of operational costs including the
4 average historical storm restoration costs for comparable facilities over the expected life of the
5 facilities.

6 (b) If the applicant chooses to construct or install all or a part of the requested facilities, all
7 utility costs, including overhead assignments, avoided by the utility due to the applicant
8 assuming responsibility for construction shall be excluded from the costs charged to the
9 customer, or if the full cost has already been paid, credited to the customer. At no time will the
10 costs to the customer be less than zero.

11 (12) Nothing in this rule shall be construed to prevent any utility from waiving all or any
12 portion of the cost for providing underground facilities. If, however, the utility waives any
13 charge, the utility shall reduce net plant in service as though those charges had been collected
14 unless the Commission determines that there is quantifiable benefits to the general body of
15 ratepayers commensurate with the waived charge.

16 (13) Nothing in this rule shall be construed to grant any investor-owned electric utility any
17 right, title or interest in real property owned by a local government.

18 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.03, 366.04, 366.05*
19 *FS. History—New 9-21-92, Amended 2-1-07*

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1 **25-6.034 Standard of Construction.**

2 (1) The facilities of each utility shall be constructed, installed, maintained and operated in
3 accordance with generally accepted engineering practices to assure, as far as is reasonably
4 possible, continuity of service and uniformity in the quality of service furnished.

5 (2) Each utility shall, at a minimum, comply with the National Electrical Safety Code
6 [ANSI C-2] [NESC], incorporated by reference in Rule 25-6.0345, F.A.C.

7 (a) For facilities constructed on or after February 1, 2007, the 2007 NESC shall apply. A
8 copy of the 2007 NESC, ISBN number 0-7381-4893-8, may be obtained from the Institute of
9 Electric and Electronic Engineers, Inc. (IEEE), 3 Park Avenue, New York, NY, 10016-5997.

10 (b) Facilities constructed prior to February 1, 2007, shall be governed by the edition of the
11 NESC specified by subsections 013.B.1, 013.B.2, and 013.B.3 of the 2007 NESC,
12 incorporated by reference in Rule 25-6.0345, F.A.C.

13 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2)(c), (f), (5),*
14 *366.05(1) FS. History—New 7-29-69, Amended 12-20-82, Formerly 25-6.34, Amended 2-1-07.*

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1 **25-6.0341 Location of the Utility’s Electric Distribution Facilities.**

2 (1) In order to facilitate safe and efficient access for installation and maintenance, to the
3 extent feasible and cost-effective, electric distribution facilities shall be placed adjacent to a
4 public road, normally in front of the customer’s premises.

5 (2) For initial installation, expansion, rebuild, or relocation of overhead facilities, utilities
6 shall use easements, public streets, roads and highways along which the utility has the legal
7 right to occupy, and public lands and private property across which rights-of-way and
8 easements have been provided by the applicant for service.

9 (3) For initial installation, expansion, rebuild, or relocation of underground facilities, the
10 utility shall require the applicant for service to provide easements along the front edge of the
11 property, unless the utility determines there is an operational, economic, or reliability benefit
12 to use another location.

13 (4) For conversions of existing overhead facilities to underground facilities, the utility
14 shall, if the applicant for service is a local government that provides all necessary permits and
15 meets the utility’s legal, financial, and operational requirements, place facilities in road rights-
16 of-way in lieu of requiring easements.

17 (5) Where the expansion, rebuild, or relocation of electric distribution facilities affects
18 existing third-party attachments or the facilities of existing joint users, and will result in the
19 relocation of such facilities to a new location adjacent to a public road, the utility shall notify
20 and attempt in good faith to accommodate concerns raised by third-party attachers and joint
21 users, including input and concerns related to the cost impacts of the proposed relocation on
22 attaching entities. The electric utility shall also, to the extent practical, coordinate the
23 construction of its facilities with the affected third-party attachers and joint users.

24 (6) Any dispute or challenge related to the implementation of this rule by a customer,
25 applicant for service, or attaching entity shall be resolved by the Commission.

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1 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2)(c), (5), (6),*

2 *366.05(1) FS. History--New 2-1-07.*

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1 **25-6.0345 Safety Standards for Construction of New Transmission and Distribution**

2 **Facilities.**

3 The Commission adopts and incorporates by reference the 2017 National Electrical Safety
4 Code (NESC) C2-2017, as the applicable safety standards for transmission and distribution
5 facilities subject to the Commission’s safety jurisdiction. Each investor-owned electric utility,
6 rural electric cooperative, and municipal electric system shall, at a minimum, comply with the
7 standards in these provisions. The 2017 National Electrical Safety Code (NESC) C2-2017 is
8 copyrighted and may be inspected and examined at no cost at the Florida Public Service
9 Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. A copy of the
10 NESC C2-2017 may be obtained from the Institute of Electric and Electronic Engineers, Inc.
11 (IEEE), 3 Park Avenue, New York, NY 10016-5997.

12 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2), (6) FS.*

13 *History—New 8-13-87, Amended 2-18-90, 11-10-93, 8-17-97, 7-16-02, 2-1-07, 12-16-12, 7-27-*
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1 **25-6.044 Continuity of Service.**

2 (1) Definitions applicable to this part:

3 (a) “Area of Service.” A geographic area where a utility provides retail electric service. An
4 Area of Service can be the entire system, a district, or a subregion of the utility’s system in
5 which centralized distribution service functions are carried out.

6 (b) “Average Duration of Outage Events (L-Bar).” The sum of each Outage Event
7 Duration for all Outage Events occurring during a given time period, divided by the Number
8 of Outage Events over the same time period within a specific Area of Service.

9 (c) “Customer Average Interruption Duration Index (CAIDI).” The average time to restore
10 service to interrupted retail customers within a specified Area of Service over a given period
11 of time. It is determined by dividing the sum of Customer Minutes of Interruption by the total
12 number of Service Interruptions for the respective Area of Service.

13 (d) “Customers Experiencing More Than Five Interruptions (CEMI5).” The number of
14 retail customers that sustain more than five Service Interruptions for a specified Area of
15 Service over a given period of time.

16 (e) “Customer Minutes of Interruption (CMI).” For a given Outage Event, CMI is the sum
17 of each affected retail customer’s Service Interruption Duration.

18 (f) “Momentary Average Interruption Event Frequency Index (MAIFIE).” The average
19 number of Momentary Interruption Events recorded on primary circuits for a specified Area of
20 Service over a given period of time.

21 (g) “Momentary Interruption.” The complete loss of voltage for less than one minute. This
22 does not include short duration phenomena causing waveform distortion.

23 (h) “Momentary Interruption Event.” One or more Momentary Interruptions recorded by
24 the operation of a utility distribution interrupting device within a five minute period. For
25 example, two or three operations of a primary circuit breaker within a five minute period that

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1 | did not result in a Service Interruption is one Momentary Interruption Event.

2 | (i) “Number of Customers Served (C).” The sum of all retail customers on the last day of a
3 | given time period within a specific Area of Service.

4 | (j) “Number of Outage Events (N).” The sum of Outage Events for an Area of Service
5 | over a specified period of time.

6 | (k) “Outage Event.” An occurrence that results in one or more individual retail customer
7 | Service Interruptions.

8 | (l) “Outage Event Duration (L).” The time interval, in minutes, between the time when a
9 | utility first becomes aware of an Outage Event and the time of restoration of service to the last
10 | retail customer affected by that Outage Event.

11 | (m) “Service Interruption.” The complete loss of voltage of at least one minute to a retail
12 | customer.

13 | (n) “Service Interruption Duration.” The time interval, in minutes, between the time a
14 | utility first becomes aware of a Service Interruption and the time of restoration of service to
15 | that retail customer.

16 | (o) “System Average Interruption Duration Index (SAIDI).” The average minutes of
17 | Service Interruption Duration per retail customer served within a specified Area of Service
18 | over a given period of time. It is determined by dividing the total Customer Minutes of
19 | Interruption by the total Number of Customers Served for the respective Area of Service.

20 | (p) “System Average Interruption Frequency Index (SAIFI).” The average number of
21 | Service Interruptions per retail customer within a specified Area of Service over a given
22 | period of time. It is determined by dividing the sum of Service Interruptions by the total
23 | Number of Customers Served for the respective Area of Service.

24 | (q) “Planned Service Interruption.” A Service Interruption initiated by the utility to
25 | perform necessary scheduled activities, such as maintenance, infrastructure improvements,
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1 and new construction due to customer growth.

2 (2) Each utility shall keep a record of its system reliability and continuity of service data,
3 customers' Service Interruption notifications, and other data necessary for the annual reports
4 filed under these rules. These records and data shall be retained for a minimum of ten years
5 from the filing of each annual report. The utility shall record each Outage Event as planned or
6 unplanned and shall identify the point of origination such as generation facility, transmission
7 line, transmission substation equipment, or distribution equipment. The cause of each Outage
8 Event shall be determined and recorded in a standardized manner throughout the utility. The
9 date and time of the Outage Event and the number of Service Interruptions for the Outage
10 Event shall also be recorded.

11 (3) Each utility shall make all reasonable efforts to prevent interruptions of service and
12 when such interruptions occur shall attempt to restore service within the shortest time
13 practicable consistent with safety.

14 (4) When the service is necessarily interrupted or curtailed, it shall be done at a time
15 which, when at all practicable, will result in the least inconvenience to customers and all such
16 scheduled interruptions shall be preceded by reasonable notice whenever practicable to
17 affected customers. Each utility shall maintain a current copy of its noticing procedures with
18 the Division of Engineering.

19 (5) The provisions of this rule shall not apply to a curtailment or an interruption of service
20 to customers receiving service under interruptible rate classifications when the curtailment or
21 interruption of service occurs pursuant to the affected retail customer's service agreement.

22 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.03, 366.04(2)(c), (5), 366.05 FS.*

23 *History—New 7-29-69, Formerly 25-6.44, Amended 2-25-93, 11-7-02, 8-17-06.*

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1 **25-6.0455 Annual Distribution Service Reliability Report.**

2 (1) Each utility shall file a Distribution Service Reliability Report with the Commission
3 Clerk on or before March 1 of each year, for the preceding calendar year.

4 (2) The Distribution Service Reliability Report will exclude the impact of all service
5 interruptions associated with generation and transmission disturbances governed by
6 subsections 25-6.018(2) and (3), F.A.C.

7 (3) The report shall contain the following information on an actual and adjusted basis:

8 (a) The utility's total number of Outage Events (N), categorized by cause for the highest
9 ten causes of Outage Events, the Average Duration of Outage Events (L-Bar), and Average
10 Service Restoration Time (CAIDI). The utility shall record these data and analyses on Form
11 PSC/ENG 102-1(a) (8/06) and Form PSC/ENG 102-1(b) (8/06), entitled "Causes of Outage
12 Events – Actual" and "Causes of Outage Events – Adjusted", respectively, which may be
13 obtained from the Division of Engineering, 2540 Shumard Oak Boulevard, Tallahassee,
14 Florida 32399-0850, (850)413-6910, and which are incorporated herein by reference;

15 (b) Identification of the three percent of the utility's Primary Circuits (feeders) with the
16 highest number of feeder breaker interruptions. For each primary circuit so identified the
17 utility shall report the primary circuit identification number or name, substation origin, general
18 location, number of affected customers by service class served, Number of Outage Events (N),
19 Average Duration of Outage Events (L-Bar), Average Service Restoration Time (CAIDI),
20 whether the same circuit is being reported for the second consecutive year, the number of
21 years the primary circuit was reported on the "Three Percent Feeder List" in the past five
22 years, and the corrective action date of completion. The utility shall record these data and
23 analyses on Form PSC/ENG 102-2(a) (8/06) and Form PSC/ENG 102-2(b) (8/06), entitled
24 "Three Percent Feeder List – Actual" and "Three Percent Feeder List – Adjusted",
25 respectively, which may be obtained from the Division of Engineering, 2540 Shumard Oak
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1 Boulevard, Tallahassee, Florida 32399-0850, (850)413-6910, and which are incorporated
2 herein by reference;

3 (c) The reliability indices SAIDI, CAIDI, SAIFI, MAIFIE, and CEMIS for its system and
4 for each district or region into which its system may be divided. The utility shall report these
5 data and analyses on Form PSC/ENG 102-3(a) (8/06) and Form PSC/ENG 102-3(b) (8/06),
6 entitled "System Reliability Indices – Annual" and "System Reliability Indices – Adjusted",
7 respectively, which may be obtained from the Division of Engineering, 2540 Shumard Oak
8 Boulevard, Tallahassee, Florida 32399-0850, (850)413-6910, and which are incorporated
9 herein by reference. Any utility furnishing electric service to fewer than 50,000 retail
10 customers shall not be required to report the reliability indices MAIFIE or CEMIS; and

11 (d) The calculations for each of the required indices and measures of distribution
12 reliability.

13 (4) Adjusted distribution reliability data may omit Outage Events directly caused by:

14 (a) Planned Service Interruptions;

15 (b) A storm named by the National Hurricane Center;

16 (c) A tornado recorded by the National Weather Service;

17 (d) Ice on lines;

18 (e) A planned load management event;

19 (f) Any electric generation or transmission event not governed by subsections 25-6.018(2)

20 and (3), F.A.C.; or

21 (g) An extreme weather or fire event causing activation of the county emergency operation
22 center.

23 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.03, 366.04(2)(c), (f), (5), 366.05,*
24 *366.05(7) FS. History—New 2-25-93, Amended 11-7-02, 8-17-06.*

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1 **25-6.078 Schedule of Charges.**

2 (1) Each utility shall file with the Commission a written policy that shall become a part of
3 the utility's tariff rules and regulations on the installation of underground facilities in new
4 subdivisions. Such policy shall be subject to review and approval of the Commission and shall
5 include an Estimated Average Cost Differential, if any, and shall state the basis upon which
6 the utility will provide underground service and its method for recovering the difference in
7 cost of an underground system and an equivalent overhead system from the applicant at the
8 time service is extended. The charges to the applicant shall not be more than the estimated
9 difference in cost of an underground system and an equivalent overhead system.

10 (2) For the purpose of calculating the Estimated Average Cost Differential, cost estimates
11 shall reflect the requirements of Rule 25-6.0342, F.A.C., Electric Infrastructure Storm
12 Hardening.

13 (3) On or before October 15 of each year, each utility shall file with the Commission Clerk
14 Form PSC/ECO 13-E, Schedule 1, using current material and labor costs. If the cost
15 differential as calculated in Schedule 1 varies from the Commission-approved differential by
16 plus or minus 10 percent or more, the utility shall file a written policy and supporting data and
17 analyses as prescribed in subsections (1), (4) and (5) of this rule on or before April 1 of the
18 following year; however, each utility shall file a written policy and supporting data and
19 analyses at least once every 3 years.

20 (4) Differences in Net Present Value of operational costs, including average historical
21 storm restoration costs over the life of the facilities, between underground and overhead
22 systems, if any, shall be taken into consideration in determining the overall Estimated Average
23 Cost Differential. Each utility shall establish sufficient record keeping and accounting
24 measures to separately identify operational costs for underground and overhead facilities,
25 including storm related costs.

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1 (5) Detailed supporting data and analyses used to determine the Estimated Average Cost
2 Differential for underground and overhead distribution systems shall be concurrently filed by
3 the utility with the Commission and shall be updated using cost data developed from the most
4 recent 12-month period. The utility shall record these data and analyses on Form PSC/ECO
5 13-E (10/97). Form PSC/ECO 13-E, entitled “Overhead/Underground Residential Differential
6 Cost Data” is incorporated by reference into this rule and may be obtained from the Division
7 of Economics, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, (850) 413-
8 6410.

9 (6) Service for a new multiple-occupancy building shall be constructed underground
10 within the property to be served to the point of delivery at or near the building by the utility at
11 no charge to the applicant, provided the utility is free to construct its service extension or
12 extensions in the most economical manner.

13 (7) The recovery of the cost differential as filed by the utility and approved by the
14 Commission may not be waived or refunded unless it is mutually agreed by the applicant and
15 the utility that the applicant will perform certain work as defined in the utility’s tariff, in which
16 case the applicant shall receive a credit. Provision for the credit shall be set forth in the
17 utility’s tariff rules and regulations, and shall be no more in amount than the total charges
18 applicable.

19 (8) The difference in cost as determined by the utility in accordance with its tariff shall be
20 based on full use of the subdivision for building lots or multiple-occupancy buildings. If any
21 given subdivision is designed to include large open areas, the utility or the applicant may refer
22 the matter to the Commission for a special ruling as provided under Rule 25-6.083, F.A.C.

23 (9) The utility shall not be obligated to install any facilities within a subdivision until
24 satisfactory arrangements for the construction of facilities and payment of applicable charges,
25 if any, have been completed between the applicant and the utility by written agreement. A
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1 standard agreement form shall be filed with the company's tariff.

2 (10) Nothing in this rule shall be construed to prevent any utility from waiving all or any
3 portion of a cost differential for providing underground facilities. If, however, the utility
4 waives the differential, the utility shall reduce net plant in service as though the differential
5 had been collected unless the Commission determines that there is a quantifiable benefit to the
6 general body of ratepayers commensurate with the waived differential.

7 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.03, 366.04(1), (4),*
8 *366.04(2)(f), 366.06(1) FS. History—New 4-10-71, Amended 4-13-80, 2-12-84, Formerly 25-*
9 *6.78, Amended 10-29-97, 2-1-07.*

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